Social Media: A Compass for Competitive Intelligence

by Nishchay Mathur
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Over 50 years ago, E. Jerome McCarthy proposed 4Ps of the marketing mix—Product, Price, Place, and Promotion. Over the years with the arrival of the internet and mobile devices, social media has become an integral part of our daily life, creating a colossal shift in the marketing paradigm. A 5th P — People — was added to the 4Ps, and is now taking center stage in decisions related to marketing. More Ps such as Process and Physical Evidence have since been added, but there’s less consensus on what the 6th and 7th Ps represent.

The 5th P of the Marketing Mix, with its focus on People, represents the emotions, beliefs, and mindset of a customer during and post purchase decision. Much has been discussed about how online user engagements can be monetized and leveraged through various forms of social media marketing, but marketers invariably still struggle to derive customer experience value and a clear return on investment (ROI) from them.

So is there a code to crack the People factor in the digital age? The answer lies somewhere in a mix of Social Media and Digital Analytics capabilities and the ability of marketers to use them smartly. Here are four prominent ways to use Social Media data for competitive business advantage.

### Influencer Marketing

In a 2015 report by Augure, it was found that nearly 84% of the brands surveyed had allocated part of their marketing budget to influencer marketing and 69% of those questioned stated that their influencer engagement strategy was effective or got results.1 A 2016 study by Nielsen Catalina Solutions with TapInfluence revealed that influencer marketing generates 11 times the ROI of traditional digital marketing. Another study by TapInfluence determined that nearly 75% of active influencers feel that influencer marketing works best among the many ways of collaborating with brands.2

Influencer Marketing is a form of marketing where marketers focus on influential people within the target market rather than the entire audience. Marketing activities are planned around these people who can then influence potential buyers.

Identifying the right influencers to invest in is crucial to the success of this form of marketing. According to one survey, 38% of marketers were unable to tell whether the influencer activity they had invested in had actually driven any sales.3 Influencer marketing has often been perceived as brands making pricey deals with mega-influencers who have a high number of followers to reach the widest possible audience. But a large social media following doesn’t necessarily equal higher engagement rate. Also, not every brand can afford premium influencers. The secret to success then is to target the right micro influencers who have higher quality than quantity of engagement.

To get ahead of competition in the present scenario, it is important for you as a brand to not only determine domain specific and channel specific influencers to maximize ROI, but also keep an eye on competitors’ influencers to plan your next move.

### Sentiment Analysis

The process of determining whether a piece of writing is positive, negative, or neutral is Sentiment Analysis. It is typically used in conjunction with other methods of analysis to get a holistic view of brand perception.

Traditionally, the use of sentiment analysis has been limited to determining the tone of customer opinion about the brand. This is a valuable, but limited, metric for understanding customer perception. A huge opportunity often missed by businesses is tracking and sentiment analysis of consumer conversations on competitors’ products and services.

To identify the right influencers for your business, you need to determine your target audience, the most engaging platforms for this audience, and the most prominent influencers on these platforms. Influencers can be broadly categorized into two major categories on the basis of target audience — Domain Specific Influencers and Channel Specific Influencers.

- **Domain Specific Influencers**
  - Domain Specific Influencers have a high number of followers due to their expertise in a specific domain. These influencers have a niche following and high-impact engagement due to their knowledge and respect among the target audience. They generally command prominence across all channels of communication including social media platforms like Facebook, Twitter, Instagram as well as magazines, talk shows, radio, so on.

- **Channel Specific Influencers**
  - Channel Specific Influencers have a stronghold on a particular channel of communication. Sometimes the target audience may not engage deeply on regular channels such as Facebook, YouTube, etc., and be more active on a niche/local channel depending on a domain or market. The most relevant example of Channel Specific Influencers can be found in the gaming world. Ardent gamers are more likely to trust and engage with influencers on gaming forums rather than common social media networks. Even after selecting a fitting Domain Specific Influencers, you may miss out on a profitable chunk of your target audience simply because their trust lies in different channels.

Other than a target audience, factors such as brand image, budget, business requirement, and most importantly, the geodemographic of the target audience, also matter significantly while narrowing down suitable influencers.
Rating and Review Analysis

Rating and Review Analysis is typically used to determine whether a company’s own product or service is perceived as good or bad. The promising new development in this approach is to use it in conjunction with competitive intelligence. Three major aspects of competitive Rating and Review Analysis are:

- **Cross Channel Analytics**
  Analyzing reviews across multiple platforms can help understand which channel is performing well and which isn’t. It is often observed that the same product is rated very differently across different sales channels. Performing Rating and Review Analysis to determine the reason for this difference across channels not only helps understand what puts your customers off, but also helps divert your inventory from a loss-making to a profitable one.

- **Insights Generation**
  Customer reviews about a product can provide crucial data about gaps in your business offering. Negative reviews highlight the aspects your customers would like improved, helping you enhance and modify your product to suit their requirements. Positive reviews can help identify your strengths, which you can then highlight through marketing campaigns. Conveying the strengths popular among existing customers can help you attract new customers more easily.

- **Launch more successful campaigns**
  By running channel analytics on competitor data, you can learn from their mistakes instead of making your own. Discover what categories of products are popular on different sales channels and make your sales decisions by benchmarking product offerings to competitor brands across channels.

Social Media Analytics

Social media analytics has been used to analyze social media platforms in order to understand the performance of deployed campaigns and curate a better marketing strategy. Every company running social media campaigns analyzes the data flowing through it. This social media data can be used for a lot more than simply keeping track of your Facebook or Twitter followers. You can also track your competitor’s publically available social data.

Running competitive analysis on your competitor’s social media data can help you:

- **Launch more successful campaigns**
  By analyzing competitors’ social media campaign data, you can figure out what your target audience responds positively to. Draw inspiration from your competitors’ campaigns and craft your own. A lot can be learned about your target audience behavior by understanding their reaction to existing competitor campaigns. Use this information to serve up all the right ingredients in your next campaign, and avoid wasteful or counter-productive spending.

- **Discover the right entry points**
  Usually brands suffer asymmetrical popularity across social media channels. A brand may have a huge following on Facebook, but may be lagging behind on Twitter, even after mirroring campaigns across social media channels. Doing a careful analysis of the social media presence of your competitors can help you discover the weakest point in their fortress and leverage this information to introduce new campaigns on platforms where your competitor’s presence is weak.

- **Cross Channel Analytics**
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  - **Strategic Planning**
    Using social media data can help you:
    - **Gain a true picture of market dynamics across the competitive landscape**
    - **Identify opportunities to introduce new campaigns on platforms where your competitors’ presence is weak.**
    - **Understand which channel is performing well and make your sales decisions accordingly.**
    - **Learn from their mistakes instead of making your own.**

  - **Marketing**
    Businesses can also monitor the impact of competitor marketing campaigns, announcements, and events on their overall reputation and take cues from it. This not only enables you to stay ahead of competition but also gives a heads-up on possible crises already faced by your competitors.

  - **Pricing & Analytics**
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  - **Understand which channel is performing well and make your sales decisions according to their performance with competitors.**
    Understanding your seller’s relationship with competing brands can also aid seller selection on the basis of their performance with competitors.

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References:


ABOUT THE AUTHOR

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Nishchay is a Certified Pricing Professional (CPP) and has 15 years of experience. His key strengths include competitive pricing & analytics, strategy consulting & transformation, client engagement & account management, profitability management, delivery & transitions management. Apart from this, he is Six Sigma Green belt certified, Lean Practitioner.

He manages Minerva, Digital competitive intelligence platform at Blueocean. This includes strategic planning to tactical activities around product development & delivery, GTM & Sales, Product P&L. Prior to joining Blueocean, Nishchay worked as a Program Manager with Dell where he managed eCommerce operations (Pricing, Content management, Website Quality, Reporting & Analytics) for delivery & innovation across teams based in India, China, Romania & Slovakia.

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